



AT THE COMPANY

Marc S. Goldfarb
Senior Vice President & General Counsel
201-337-9000

AT FINANCIAL DYNAMICS

Erica Pettit / Leigh Parrish
General Information
212-850-5600

FOR IMMEDIATE RELEASE

RUSS BERRIE AND COMPANY, INC. REPORTS
FIRST QUARTER 2008 RESULTS

Oakland, N.J. — May 13, 2008 — Russ Berrie and Company, Inc. (NYSE: RUS) today reported results for the first quarter ended March 31, 2008. For the first quarter of 2008, consolidated net sales increased 1.1% to \$75.9 million and consolidated net income was \$2.0 million, or \$0.09 per diluted share.

Bruce G. Crain, Chief Executive Officer and President, commented, “During the quarter we were able to achieve modest top-line growth, despite the weakening macro environment. Importantly, our growth efforts during early 2008 allowed us to enhance our global leadership position in the Infant & Juvenile market. On April 2, 2008, we completed our acquisitions of LaJobi and CoCaLo and secured an expanded credit facility, which reflects both our ability to execute and the tremendous long-term potential for our business. Further, we remain encouraged by our ongoing accomplishments in our global Gift segment, as we continue to strengthen our product design initiatives and operational efficiencies in a soft retail market.”

Mr. Crain continued, “Looking at the balance of the year, we will continue to focus on designed and branded product development in both our Infant & Juvenile and Gift segments. We expect that this approach, as well as our efforts to optimize our pricing strategies, control inventory levels and manage rising costs, will help offset some of the macroeconomic pressures. We look forward to building on the momentum that we generated in 2007.”

Consolidated net sales for the first quarter of 2008 increased 1.1% to \$75.9 million, compared to \$75.1 million for the first quarter of 2007, as a result of higher sales in the Infant & Juvenile segment. Net sales for the Company’s Infant & Juvenile segment increased 7.5% to \$41.6 million, compared to \$38.7 million in the first quarter of 2007, driven by new product introductions and growth in international sales. Net sales for the Company’s Gift segment decreased 5.7% to \$34.3 million for the quarter, compared to \$36.4 million for the first quarter of 2007, primarily as a result of year-over-year new product launch timings and some industry weakness as retailers have implemented more conservative purchasing programs. There was no impact during the first quarter from the Company’s recent acquisitions, as those transactions closed early in the second quarter.

Consolidated gross profit in the first quarter of 2008 was \$30.6 million, or 40.2% of net sales, compared to \$31.3 million, or 41.7% of net sales, for the first quarter of 2007. The Infant &

Juvenile segment gross profit margins were impacted by market pricing constraints, a shift in product mix and higher product costs, while Gift segment margins increased slightly compared to the same period last year.

Consolidated selling, general and administrative expenses for the first quarter of 2008 were \$27.0 million, or 35.5% of net sales, compared to \$26.5 million, or 35.2% of net sales, in the first quarter of 2007. SG&A for the Infant & Juvenile segment increased to 17.6% of sales from 17.3% of sales in the prior year quarter, primarily due to increased product development and additional promotional costs to support the growth in this segment. SG&A for the Gift segment increased as a percentage of sales to 57.3% in the first quarter of 2008 from 54.3% in the prior year quarter, primarily as a result of softer sales in the first quarter of 2008.

As a result of the foregoing, consolidated net income for the first quarter of 2008 was \$2.0 million, or \$0.09 per diluted share, for the first quarter of 2008, compared to consolidated net income of \$2.5 million, or \$0.12 per diluted share, for the first quarter of 2007.

Conference Call Information

The conference call, which will be held at 10:00 a.m. ET on Tuesday, May 13, 2008, may be accessed by dialing 800-254-5933 or 973-409-9255, access code: 46484608. Additionally, a webcast of the call can be accessed at <http://www.russberrie.com/investorrelations/> or at www.earnings.com. A replay of the call will be available through May 20, 2008, by dialing 800-642-1687 or 706-645-9291, access code: 46484608. In addition, the webcast of the call will be archived online shortly after the conference call for 90 days.

About Russ Berrie and Company, Inc.

Russ Berrie and Company, Inc. and its subsidiaries engage in the design, development and distribution of branded products through its Infant & Juvenile segment and Gift segment. Its design-led products are sold primarily through mass market, toy, specialty, food, drug and independent retailers worldwide.

The Infant & Juvenile segment sells its products under the Sassy® and KidsLine® brand names and select private label programs. The Kids Line division designs and markets infant bedding and related nursery accessories. The Sassy division offers products and collections such as infant development toys, teething, feeding, bathing and baby care products. The businesses also license brands for select categories and markets including Disney®, Leap Frog™ and Carter's®. In April 2008, the Company expanded its Infant & Juvenile business through the acquisitions of LaJobi Industries, Inc and CoCaLo, Inc. LaJobi is a leading designer, manufacturer, marketer and distributor of branded infant furniture and related products. LaJobi also licenses brands such as Graco® for cribs and Serta® for crib mattresses. CoCaLo is a leading manufacturer and distributor of infant bedding and accessory products under the brands of CoCaLo Baby, CoCaLo Couture and Baby Martex®.

The Gift segment encompasses seasonal and everyday plush and other gift products. The Gift segment markets its products primarily under the RUSS® and APPLAUSE® brand names and also produces product in select markets and categories under licenses that include Shining Stars®, Raggedy Ann™, Curious George™, Simpsons™ and a variety of other well-recognized trademarks.

More information about the Company can be found at: www.russberrie.com.

Note: This press release contains certain forward-looking statements. Additional written and oral forward-looking statements may be made by the Company from time to time in Securities and Exchange Commission (SEC) filings and otherwise. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking statements. These statements may be identified by the use of forward-looking words or phrases including, but not limited to, “anticipate”, “believe”, “expect”, “project”, “intend”, “may”, “planned”, “potential”, “should”, “will” or “would”. The Company cautions readers that results predicted by forward-looking statements, including, without limitation, those relating to the Company’s future business prospects, revenues, working capital, liquidity, capital needs, order backlog, interest costs and income are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Specific risks and uncertainties include, but are not limited to those set forth under Item 1A, “Risk Factors”, of the Company’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

(tables to follow)

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RUSS BERRIE AND COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Net sales	\$ 75,924	\$ 75,073
Cost of sales	45,366	43,746
Gross profit	30,558	31,327
Selling, general and administrative expenses	26,984	26,458
Operating income	3,574	4,869
Other expenses	(599)	(1,122)
Income before income tax provision	2,975	3,747
Income tax provision	975	1,201
Net income	\$ 2,000	\$ 2,546
Net income per share:		
Basic	\$ 0.09	\$ 0.12
Diluted	\$ 0.09	\$ 0.12
Weighted average shares:		
Basic	21,300,000	21,076,000
Diluted	21,325,000	21,141,000

RUSS BERRIE AND COMPANY, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(Dollars in Thousands)

	<u>March 31, 2008</u> (Unaudited)	<u>December 31, 2007</u> (Audited)
Cash and cash equivalents	\$ 17,330	\$ 21,925
Accounts receivable, net	60,209	64,544
Inventories, net	54,028	59,069
Other current assets	5,217	5,419
Long-term assets	<u>191,875</u>	<u>191,018</u>
Total assets	<u>\$ 328,659</u>	<u>\$ 341,975</u>
Short-term debt	\$ 38,813	\$ 34,844
Other current liabilities	36,482	52,980
Long-term liabilities	46,191	49,512
Total liabilities	<u>121,486</u>	<u>137,336</u>
Shareholders' equity	<u>207,173</u>	<u>204,639</u>
Total liabilities and shareholders' equity	<u>\$ 328,659</u>	<u>\$ 341,975</u>